

Message Text

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ACTION EUR-10

INFO OCT-01 ISO-00 CIAE-00 PM-03 INR-10 L-02 ACDA-10

NSAE-00 PA-01 RSC-01 PRS-01 SP-02 USIA-04 TRSE-00

SAJ-01 EB-03 SS-14 NSC-07 DRC-01 /071 W

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FM USMISSION NATO

TO SECDEF WASHDC

SECSTATE WASHDC 8039

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INFO DA WASHDC

CDRUSAMC ALEXANDRIA VA

CDRUSAMICOM REDSTONE ARS AL

CDRUSAADC FT BLISS TX

CDR WHITE SANDS MSL RANGE NMEX

USCINCEUR VAIHINGEN

CINCUSAREUR HEIDELBERG

CDR 32D AIR DEF CMD CAISERSLAUTERN

CHUSNHLO PARIS

USNMR SHAPE

CHMAAG ATHENS

CHMAAG BONN

CHMAAG BRUSSELS

CHMAAG COPENHAGEN

CHMAAG ROME

CHMAAG PARIS

CHMAAG THE HAGUE

C O N F I D E N T I A L SECTION 1 OF 2 USNATO 5522

E.O. 11652: GDS, 12-31-80

TAGS: MARR, NATO

SUBJECT: REPORT OF NATO-HAWK BOARD OF DIRECTORS (BOD) MEETING,
1-3 OCTOBER 1974

SECDEF FOR OASD(I&L-MR D. CUFFEE; ODDR&E; OASD (ISA); AND DSAA. DA FO

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OASA(I&L; DCSLOG FOR MSG-SBI; AND ACSI. USAMC FOR AMCGC. USAMICOM FOR
AMCPM-HA. USCINCEUR FOR MAD AND J-4. USAREUR FOR AEGD-MR-MM AND
USAMICOM FLD OFC (AMCPM-HAI-EUR-MAJ LYNE).

REFS: A. HMO/2.201/3163/74(FINAL AGENDA).

B. AGREEMENT, US AND NHPLO, 11 JUL 68.

C. USNATO 5235

BEGIN SUMMARY. NATO-HAWK BOARD OF DIRECTORS (BOD) MET IN PARIS 1-3 OCT 74. MATTERS OF INTEREST TO THE US INCLUDE APPOINTMENT OF NEW BOARD CHAIRMAN, FUTURE PLANS FOR EUROPEAN CUSTOMS CHARGES, US RELEASE OF HELIP INFORMATION TO NON-PARTICIPATING NATIONS. KLYSTRON PROCUREMENT AND SETTLEMENT WITH USG OF MAIN-TENANCE FLOAAT OWNERSHIP. MISSION REQUESTS GUIDANCE OR WASHINGTON VIEWS ON FUTURE CUSTOMS PROCEDURES AND RELEASE OF HELIP INFORMATION (TWO AREAS). DOCTRINAL MATTERS AND DETAILS OF KLYSTRON PROCUREMENTS ARE COVERED SEPTELS. END SUMMARY.

1. NATO-HAWK BOARD OF DIRECTORS (BOD) MET IN PARIS 1-3 OCT 1974. US MEMBER OF BOD (COL LYNCH)REPORTS ITEMS OF SPECIAL INTEREST TO THE US PER AGENDA.

A. ITEM 1.2-CHANGE OF CHAIRMANSHIP OF THE BOD. MGEN DIETERS (NETHERLANDS; DEPUTY TO GEN STOKLA; RECENTLY PROMOTED FROM COMMODORE) RELINQUISHED THE CHAIR TO COL HOFFMAN (FRANCE). (COMMENT: THIS CHANGE COULD MAKE PROTECTION OF US INDUSTRIAL PARTICIPATION INTERESTS MORE DIFFICULT DURING COMING YEAR).

B. ITEM 2.5-CUSTOMS AND TAXES WORKING GROUP. GREECE IN PARTICULAR HAS HAD PAST PROBLEMS WITH CUSTOMS CHARGES WITHIN THE NATO-HAWK PRODUCTION&LOGISTICS ORGANIZATION (NHPLO). THE NATO-HAWK MANAGEMENT OFFICE (NHMO) HAD ERRED IN ASSESSING A PRO-RATA CUSTOMS VALUATION AGAINST NATO-HAWK EQUIPMENT PLANNED FORPURCHASE BY GREECE WHEN IN FACT GREECE IMPOSES NO CUSTOMS OR TAXES AGAINST DEFENSE MATERIAL IMPORTED INTO GREECE FROM EITHER THE US OR THE COMMON MARKET NATIONS. DISCUSSION OF THE GREEK PROBLEM (SATISFACTORILY RESOLVED) LED INTO A FAR-RANGING DISCUSSION. NOW THE WORKING GROUP PLANS TO ENLARGE ITS PURVIEW TO INCLUDE A MEETING WITH REPRESENTATIVES OF FINANCE AND DEFENSE MINISTRIES, NAMSA AND POSSIBLY EXPERTS FROM THE COMMON MARKET. OBJECTIVE WILL BE TO DEVELOP A GENERAL CUSTOMS PRO-CONFIDENTIAL

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CEDURE ACCEPTABLE TO ALL COUNTRIES (READ EUROPEAN) WHICH WOULD, IN PARTICULAR, TAKE INTO ACCOUNT AGREEMENTS SUCH AS OTTAWA, STATUS OF FORCES(SOFA), NAMSO QUOTE AGREEMENT ON LOCATION UNQUOTE (WITH THE GRAND DUCHY OF LUXEMBOURG AND WITH ITALY) AND THE EARLIER ACTIVITIES OF THE WORKING GROUP. COMMENT: THE US HAS NOT BEEN PARTICIPATING IN WORKING GROUPS SUCH AS THESE, BUT PERHAPS WE SHOULD END COMMENT.IN THE CASE OF EACH BID SUBMITTED BY A US FIRM TO NAMSA FOR BASIC HAWK REPAIR PARTS (SUCH AS MICROWAVE TUBES)

THE PROCUREMENT DIVISION AUTOMATICALLY ADDS 7.5 PER-CENT (PLUS OTHER CHARGES, NOT ALL OF WHICH HAVE BEEN APPROPRIATE IN THE PAST) BEFORE PRICE COMPARISON WITH EUROPEAN PROPOSALS. THIS WORKS TO OBVIOUS DISADVANTAGE OF THE US AND IN MISSION VIEW

IS AN INAPPROPRIATE CHARGE WITHIN A JOINT PROGRAM WHICH EXISTS SOLELY FOR THE COMMON DEFENSE OF NATO. ACTION REQUESTED: WASHINGTON VIEWS ON CUSTOMS ASSESSMENT WITHIN JOINT NATO DEFENSE PROGRAMS WHICH, IN THE FUTURE, COULD INCLUDE NOT ONLY NATO-HAWK BUT ALSO US PARTICIPATION IN THE EUROPEAN LIGHTWEIGHT FIGHTER PROGRAM.

C. ITEM 2.6(B)-SOFTWARE WORKING GROUP. THE BOARD DECIDED TO PROPOSE TO THE NATO SEC GEN THE ESTABLISHMENT OF A SURFACE-TO-AIR MISSILE (SAM) SOFTWARE COMMITTEE TO STUDY, AS A STARTER, REQUIREMENTS FOR IMPROVED HAWK SOFTWARE IN A EUROPEAN ENVIRONMENT. ITALY, DENMARK AND THE US RESERVED ON THIS ITEM. THIS PROPOSAL INVOLVES DOCTRINAL CONSIDERATIONS WHICH ARE OF CONCERN TO COMMANDER, AIR DEFENSE CENTER, AND COMMANDER, 32D ARADCOM (SEE SEPTTEL). THERE IS AN ADDITIONAL CONSIDERATION WHICH REQUIRES WASHINGTON APPROVAL. IT IS PROBABLE THAT THIS COMMITTEE (OR WORKING GROUP) WOULD BE ESTABLISHED UNDER AC/280, TRISERVICE GROUP ON AIR DEFENSE. IF OTHER NON-NHPLO COUNTRIES WANT TOPARTICIPATE, US APPROVAL FOR RELEASE OF NATO-HAWK EUROPEAN LIMITED IMPROVEMENT PROGRAM (HELIP) INFORMATION TO QOUTE THIRD PARTY UNQUOTE COUNTRIES IS REQUIRED (PER ARTICLE VI, 1968 HELIP AGREEMENT) (REF B.). THERE IS NO PRECEDENT FOR EXCLUDING

SOME NATO COUNTRIES BUT ADMITTING OTHERS NOT NOW PART OF THE NHPLO. ACTION REQUESTED: WASHINGTON GUIDANCE ON SCOPE OF RELEASE WHICH CAN BE AUTHORIZED. THIS INCLUDES SPECIFIC COUNTRIES, WITH NORWAY AND THE UK LIKELY CANDIDATES FOR EARLY PARTICIPATION. IT ALSO INCLUDES ANY CONTEMPLATED RESTRICTIONS ON CERTAIN CONFIDENTIAL

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SOFTWARE.

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INFO OCT-01 ISO-00 CIAE-00 PM-03 INR-10 L-02 ACDA-10

NSAE-00 PA-01 RSC-01 PRS-01 SP-02 USIA-04 TRSE-00

SAJ-01 EB-03 SS-14 NSC-07 DRC-01 /071 W

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R 081220Z OCT 74

FM USMISSION NATO

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SECSTATE WASHDC 8040

DOC WASHDC

INFO DA WASHDC

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CHMAAG COPENHAGEN
CHMAAG ROME
CHMAAG PARIS
CHMAAG THE HAGUE

C O N F I D E N T I A L SECTION 2 OF 2 USNATO 5522

D. ITEM 2.6(D)-IFF VALIDATION TESTS. THE BOD VOTED TO USE WHITE SANDS MISSILE RANGE (WSMR) FOR THE IFF INTERFACE VALIDATION TESTS FOR HAZELTINE AND SIEMENS FURNISHED EQUIPMENT. THE BOD WILL NOTIFY THE US BY 14 OCT 74 THAT IT ACCEPTS THE US FOREIGN MILITARY SALES (FMS) OFFER FOR CONDUCTING THE VALIDATION TESTS.

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E. ITEM 3.5-PROCUREMENT OD 845 REFLEX KLYSTRONS. DESPITE RECOMMENDATION OF THE GEN MGR AND STRONG OBJECTION BY US MEMBER, THE BOD VOTED TO DISQUALIFY VARIAN ON A TECHNICALITY AND TO AWARD THE CONTRACT TO THOMSON C.S.F. SEE SEP TEL.

F. ITEM 3.6-PROCUREMENT OF 400 POWER KLYSTRONS. US AND FRANCE (GEN CAUCHIE) CONDUCTED SHARP, LENGTHY EXCHANGE OF VIEWS ON POWER KLYSTRON PROCUREMENT. POLITICAL OVERTONES IN FAVOR OF FRANCE CARRIED THE DAY AND THE BOD REFUSED EITHER TO REVERSE OR MODIFY ITS EARLIER DECISION TO AWARD THE CONTRACT TO TOMSON C.S.F. SEE SEPTTEL.

G. ITEM 3.7-SHARING-OUT OF THE MAINTENANCE FLOAT, GEN MGR

PROPOSED TO THE BOD A SETTLEMENT WITH THE US ALONG LINES INDICATED IN PARA 4, REF C, AND WHICH US MEMBER HAD AGREED TO. HE PROPOSED A MAXIMUM SETTLEMENT TO THE US OF \$300,000. THE US MEMBER DECLINED TO ACCEPT A MAXIMUM FIGURE. THE GEN MGR STATED THAT PRELIMINARY PLANNING ESTIMATE OF COSTS TO EACH RECIPIENT NATION (DENMARK, ITALY AND GREECE) WAS \$75,000. THE BOD, INCLUDING US, AGREED IN PRINCIPLE WITH THE PLAN PROPOSED BY THE GEN MGR. IN DISCUSSION FOLLOWING THE MEETING, US MEMBER ASKED GEN MGR FOR A PRELIMINARY PROPOSAL, TO INCLUDE NOT ONLY CASH SETTLEMENT BUT ALSO SELECTED EQUIPMENT ITEMS (LAUNCHERS AND SHOP EQUIPMENT) POSSIBLY AVAILABLE TO THE US, PRIOR TO 15 OCT 74. IF RECEIVED BY

THAT DATE, US MEMBER (COL LYNCH) WILL PLAN TO DISCUSS DETAILS IN WASHINGTON DURING WEEK OF 21-25 OCT.

H. ITEM 4.1-LIQUIDATION OF BASIC HAWK PRODUCTION CONTRACTS.

THE GEN MGR IS NEARING FINAL SETTLEMENT OF THE OLD PRODUCTION CONTRACTS WITH SETEL AND INCLUDED FIRMS. ONE RESULT OF THE FINAL CALCULATIONS SHOULD BE ESTABLISHED OF THE FINAL COST OF EACH ITEM OF EQUIPMENT PRODUCED. THIS INFORMATION WILL BE OF INTEREST TO THE US AND THE MAINTENANCE FLOAT RECIPIENT NATIONS.

I. ITEM 5.5-MISCELLANEOUS. BESIDES THE MATTER OF ESTABLISHING A WORKING GROUP ON SOFTWARE (PARA C, ABOVE), THE FRENCH MEMBER PROPOSED TO RELEASE GENERAL INFORMATION SURROUNDING HELIP TO WORKING GROUP III (FUTURE SAM SYSTEMS) OF AC/280, TRI-SERVICE GROUP ON AIR DEFENSE. HELIP INFORMATION WOULD COMPOSE A CONFIDENTIAL

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SIGNIFICANT SUBSET OF COMPARISON INFORMATION AGAINST WHICH WG/III WOULD CONSIDER REQUIREMENTS AND CHARACTERISICS OF FUTURE SAM SYSTEMS. THE US ALREADY HAS PROVIDED CONSIDERABLE INFORMATION ON THE US SAM-D PROGRAM TO NATO. MISSION SUGGESTS THAT WASHINGTON FAVORABLY CONSIDER RELEASE OF REQUIRED HELIP INFORMATION TO WG/III. AS IN THE CASE OF THE SOFTWARE PROPOSAL, SUCH RELEASE REQUIRED PRIOR US WRITTEN APPROVAL (AS AN EXCEPTION TO ARTICLE VI, 1968 HELIP AGREEMENT). ACTION REQUESTED: WASHINGTON GUIDANCE ON RELEASE WITH SPECIFIC RESTRICTIONS, IF ANY.

J. ITEM 6-DATE AND PLACE OF NEXT BOD MEETING. 10-13 DEC 1974, PARIS.

2. MISSION INVITES ATTENTION OF TWO SEPTELS WHICH REFERENCE THIS MESSAGE. ONE DEALS WITH QUESTION OF US PARTICIPATION (AND RELATED DOCTRINAL CONSIDERATIONS) IN A JOINT SOFTWARE PROGRAM. THE SECOND ADDRESSES THE TWO KLYSTRON PROCUREMENTS IN DETAIL.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 11 JUN 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 08 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ATO05522
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: 11652 GDS, 12-31-80
Errors: n/a
Film Number: n/a
From: NATO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741091/abbryxqk.tel
Line Count: 257
Locator: TEXT ON-LINE
Office: n/a
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A. HMO/2.201/3163/74(FINAGENDA). AGENDA). B. AGREEMENT, US AND NHPLO, 11 JUL 68. C. USNATO 5235
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 03 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 APR 2002 by boyleja>; APPROVED <29 JUL 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REPORT OF NATO-HAWK BOARD OF DIRECTORS (BOD) MEETING, 1-3 OCTOBER 1974
TAGS: MARR, NATO
To: SECDEF
STATE
DOC INFO DA
CDRUSAMC ALEXANDRIA VA
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CHMAAG THE HAGUE

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005